

MINUTES

VIRGINIA SMALL BUSINESS FINANCING AUTHORITY BOARD OF DIRECTORS MEETING

March 25, 2003 - 11:00 A.M.

**8th & Main Building, 3rd Floor Conference Room
Richmond, Virginia**

- I. Voting members present: Andy Brownstein, Hanif Akhtar, Jim Cheng, Esther Corpus, Hattie Hamlin, Larry Roach, and Bob Young (for Jody Wagner).
Others present: Chuck Mills, Mike Eisenman, Scott Parsons, and Barbara Carter.

The meeting was called to order by Board Chairman Andy Brownstein. Chuck Mills, director of the Department of Business Assistance (DBA), welcomed Mr. Brownstein to the chairmanship of the Board and his role in directing the Board to accomplish its mission in light of the agency's (DBA) initiatives. Mr. Brownstein accepted the chairmanship and expressed his desires for the Board to accomplish those goals.

- II. Approval of Minutes - On a motion by Bob Young, seconded by Larry Roach, the minutes of the February 25, 2003 Board of Directors - Loan Business Meeting were unanimously approved.
- III. Update on 501 (c) 3 Legislation - Scott Parsons briefly reviewed VSBFA's background as a statewide issuer of bonds and its request to amend the current legislation to allow VSBFA to issue bonds to non-profit organizations as well. Mr. Parsons informed the Board that this legislation unanimously passed both the House and Senate. The bill is awaiting the Governor's signature and will take effect on July 1, 2003.
- IV. Update on Funding of Loan Programs - Scott Parsons apprised the Board on the status of all the loan funds. Board members were given information indicating the dollar amount of available funds and projections showing how long the current funds will last, depending on the number of loans approved or maximizing the programs. Since VSBFA is a self-sufficient body, there is little chance of receiving additional funding from the General Assembly. Therefore, other sources of funding need to be found, in particular, federal programs and/or private sources. Board members were asked for their help in locating any private sources that VSBFA could research for additional funding.

- V. Emerging Business Roundtable - As a part of the update on funding, Mr. Parsons informed the Board that a portion of the State's Economic Development Loan Fund money has been set aside for a new program to assist emerging businesses. A meeting is scheduled in April that will explore possible opportunities for public/private partnerships to assist entrepreneurs in gaining access to financing for such needs as seed capital or financing to assist in the commercialization of certain technologies.

- VI. Update on Status of ECAF Program - Mr. Parsons informed Board members of the partnership between DBA, VSBFA, and DEQ. He updated the Board on the agreement where DEQ provides an FTE allocation, renewable each year, as well as the salary and expenses for the position.

- VII. Administrative Matters - Andy Brownstein addressed the Board concerning its present role (as fiduciaries or managing loans) and how he sees the Board's role in the future (as an advocate) through possible changes such as: instituting some technical changes in the way loan approvals are made by creating a subcommittee; increasing the Board membership, but not the quorum; increasing the dollar amount for loans approved by staff; changing Board participation by means other than meeting in person. Mr. Brownstein noted that some of these items may not be allowable under current legislation. Mr. Brownstein envisions the role of the Board as counselors to staff and advocates developing action plans and helping to locate funding. Discussions of these matters and other priorities facing the Board will be held at future meetings.

- VIII. Adjournment - The meeting was adjourned.